

PURCHASE ORDER
TERMS & CONDITIONS

1. **Acceptance-Agreement.** Seller's commencement of work on the goods subject to this purchase order or shipment of such goods, whichever occurs first, shall be deemed an effective acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms contained on the face and back hereof and any attachments hereto. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of this offer in Seller's acceptance is hereby objected to and rejected, but such proposals shall not operate as rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by Seller without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained on the face and back hereof unless Seller notifies Buyer to the contrary in writing within ten (10) days of receipt of this purchase order.
2. **Termination by Purchaser.** Purchaser reserves the right to terminate this order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder. Seller shall be paid a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from termination (subject to the provision of satisfactory documentation by the Seller). Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.
3. **Termination for Cause.** Purchaser may also terminate this order or any part hereof for cause in the event of any default by Seller, or if Seller fails to comply with any of the terms and conditions of this offer. Late deliveries, deliveries of products which are defective or which do not conform to this order, the institution of any proceeding by or against Seller under any law relating to the relief of debtors, and failure to provide Purchaser, upon request, reasonable assurances of future performance shall all be causes allowing Purchaser to terminate this order for cause. In the event of termination for cause, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for any and all damages sustained by reason of the default which gave rise to the termination.
4. **Packing/Shipment.** Each shipment shall be properly packed, marked and shipped in accordance with the requirements of the transporting common carrier and in a manner that will permit securing of the lowest transportation rates. If in order to comply with Purchaser's required delivery date it becomes necessary for Seller to ship by a more expensive manner, any increased transportation costs shall be paid for by Seller unless the necessity has been caused by Purchaser. Seller shall mark each package in accordance with the then current "Hazardous Materials Regulations" of the Department of Transportation.
5. **Proprietary Information-Confidentiality-Advertising.** Seller shall consider all information furnished by Purchaser to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing this contract, without Purchaser's written consent. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Purchaser in connection with this order, all of which shall be returned to Purchaser upon completion of this purchase order. Unless otherwise agreed in writing and signed by both parties, no information disclosed by Seller to Purchaser shall be deemed confidential.

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6. **Warranty.** Seller expressly warrants that all goods or services furnished under this agreement shall conform to all chemical specifications under the REACH and CPSIA Declaration for Restricted Substances List (which may be amended from time to time. It will be the responsibility of the Seller to check for these updates) and appropriate standards, will be new, will be free from defects in material or workmanship. Seller warrants that all such goods or services will conform to any statements made on the containers or labels or advertisements for such goods, or services, and that any goods will be adequately contained, packaged, marked and labeled. Seller warrants that all goods or services furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which goods or services of that kind are normally used. If Seller knows or has reason to know the particular purpose for which Purchaser intends to use the goods or services, Seller warrants that such goods or services will be fit for such particular purpose. Seller warrants that goods or services furnished will conform in all respects to samples. Inspection, test, acceptance or use of the goods or services furnished hereunder shall not affect the Seller's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Seller's warranty shall run to Purchaser, its successors, assigns and customers, and users of products sold by Purchaser. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to Purchaser, when notified of such nonconformity by Purchaser. In the event of failure of Seller to correct defects in or replace nonconforming goods or services promptly, Purchaser, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the cost incurred in doing so.
7. **Price Warranty.** Seller warrants that the prices for the articles sold Purchaser hereunder are not less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. In the event Seller reduces its price for such article during the term of this order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without Purchaser's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating.
8. **Force Majeure.** Purchaser may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such goods at the direction of the Purchaser, and shall deliver them when the cause affecting the delay has been removed. Purchaser shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this agreement at Purchaser's request. Either party will be excused from performing this contract if performance has been made impracticable by the occurrence of a contingency the nonoccurrence of which was a basic assumption on which the contract was made, or by compliance in good faith with any applicable foreign or domestic governmental regulation or order, whether or not it later proves to be invalid.
9. **Patents.** Seller agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Purchaser or its agents, customers, or other vendors for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark or appearance of goods or services furnished hereunder, and Seller further agrees to indemnify Purchaser, its agents and customers against any and all expenses, losses, royalties, profits and damages including court costs and attorneys' fees resulting from any such suit or proceeding, including any settlement. Purchaser may be represented by and actively participate through its own counsel in any such suit or proceeding if it so desires, and the costs of such representation shall be paid by Seller.

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10. Insurance. In the event that Seller's performance hereunder requires performance of services by Seller's employees, or persons under contract to seller, on Purchaser's property, Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of Purchaser. Seller shall maintain all necessary insurance coverage, including public liability and Workers Compensation insurance. Seller shall indemnify and defend Purchaser from any and all claims or liabilities arising out of the work covered by this paragraph. Seller agrees to comply with any additional terms and conditions applicable to service or construction work which may be attached hereto.
11. Indemnification. Seller shall defend, indemnify and hold harmless Purchaser against all damages, claims, liabilities and expenses (including attorney's fees) arising out of or resulting in any way from any defect in the goods or services purchased hereunder, from any act or omission of Seller, its agents, employees or subcontractors and from all damages suffered as a result of the failure of the goods and services to comply with all state, federal and local laws, rules and regulations. This indemnification shall be in addition to the warranty obligations of Seller.
12. Changes. Purchaser shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for performance, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.
13. Inspection/Testing. Payment for the goods delivered hereunder shall not constitute acceptance thereof. Purchaser shall have the right to inspect such goods and to reject any or all of said goods which are, in Purchaser's judgment, defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at its expense and, in addition to Purchaser's other rights. Purchaser may charge Seller all expenses of unpacking, examining, repacking and reshipping such goods. In the event Purchaser receives goods whose defects or nonconformity is not apparent on examination. Purchaser reserves the right to require replacement, as well as payment of damages. Nothing contained in this purchase order shall relieve in any way the Seller from the obligation of testing, inspection and quality control.
14. Entire Agreement. This purchase order, and any documents referred to on the face hereof or attached hereto, constitute the entire agreement between the parties.
15. Assignments and Subcontracting. No part of this order may be assigned or subcontracted without the prior written approval of Purchaser.
16. Setoff. All claims for money due from Purchaser shall be subject to deduction or set-off by Purchaser by reason of any counterclaim arising out of this or any other transaction with Seller.
17. Waiver. Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.



3/F, Kras Asia Industrial Building, No. 79 Hung To Road, Kwun Tong,
Kowloon, Hong Kong 九龍觀塘鴻圖道 79 號嘉士亞洲大廈三樓
Tel: 852 3102 2727 Fax: 852 3102 2725

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18. Delivery. Time is of the essence of this contract, and if delivery of items or rendering of services is not completed by the time promised, Purchaser reserves the right, in addition to its other rights and remedies, to terminate this contract by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Seller with any loss incurred.
19. Limitation on Purchaser's Liability. In no event shall Purchaser be liable for anticipated profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this agreement or from the performance or breach hereof shall in no case exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. Purchaser shall not be liable for penalties of any description.
20. Compliance with Laws. Seller represents that all applicable requirements under applicable laws shall be observed in the manufacture sale and delivery of the materials/goods covered under this purchase order.
21. Choice of Law. This purchase order shall be governed, construed and enforced in ordinance with the laws of Hong Kong.